

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	
)	
1998 Biennial Regulatory Review –)	CC Docket No. 98-171
Streamlined Contributor Reporting)	
Requirements Associated with Administration)	
of Telecommunications Relay Service, North)	
American Numbering Plan, Local Number)	
Portability, and Universal Service Support)	
Mechanisms)	
)	
Telecommunications Services for Individuals)	CC Docket No. 90-571
with Hearing and Speech Disabilities, and the)	
Americans with Disabilities Act of 1990)	
)	
Administration of the North American)	CC Docket No. 92-237
Numbering Plan and North American)	NSD File No. L-00-72
Numbering Plan Cost Recovery Contribution)	
Factor and Fund Size)	
)	
Number Resource Optimization)	CC Docket No. 99-200
)	
Telephone Number Portability)	CC Docket No. 95-116
)	
Truth-in-Billing and Billing Format)	CC Docket No. 98-170

COMMENTS

The National Exchange Carrier Association, Inc. (NECA) respectfully submits comments on the Commission's December 13, 2002 *Second Further Notice of Proposed Rulemaking (Second FNPRM)* in the above-captioned proceeding.¹ In the *Second*

¹ Federal-State Joint Board on Universal Service, CC Docket No. 96-45, 1998 Biennial Regulatory Review - Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, CC Docket No. 98-171, Telecommunications Services for Individuals with Hearing and Speech

FNPRM, the Commission seeks to further develop the record on aspects of proposals to assess universal service contributions on the number and capacity of connections.² In addition, the Commission seeks comment on whether contributions to the Telecommunications Relay Service (TRS), Numbering Administration, Local Number Portability (LNP), and wireline regulatory fees programs should continue to be based on annual revenue data, or whether contributions to these mechanisms should be based on connections and/or numbers, in the event that the Commission decides to implement an alternative universal service contribution mechanism.³

NECA takes no position on the relative merits of the proposed methodologies for determining contribution. As administrator of the Interstate TRS Fund, and sole stockholder to North American Billing and Collection, Inc. (NBANC), the entity responsible for collection of funds related to the administration of the North American Numbering Plan (NANP), NECA does however recommend that, whatever mechanism is found to be appropriate for determining contributions, the Commission should assure that contributions for the TRS, Numbering Administration, LNP, and wireline regulatory fees programs should continue to be based on an annual assessment rather than converted to a monthly billing process. NECA believes that continuation of annual contributions to these programs is the most efficient and cost effective means for collection of revenue to

Disabilities, and the Americans with Disabilities Act of 1990, CC Docket No. 90-571, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, CC Docket No. 92-237, NSD File No. L-00-72, Number Resource Optimization, CC Docket No. 99-200, Telephone Number Portability, CC Docket No. 95-116, *Report and Order and Second Further Notice of Proposed Rulemaking*, 67 Fed. Reg. 79525 (2002) (*Second FNPRM*).

² *Second FNPRM* at ¶ 72.

³ *Id.* at ¶ 74.

support these programs.

Unlike universal service, where the funding requirements and contribution factors are updated quarterly and service providers are billed monthly, the TRS and NANP funds rely on annual funding projections and contribution factors to assess and collect each carrier's annual contribution.⁴ In July of each year, subsequent to the Commission's approval of the respective contribution factors for each program, the administrator bills each telecommunications service provider its annual contribution obligation. The Commission's rules for TRS permit carriers whose contribution obligation exceeds a certain threshold to submit one-twelfth of their contribution in each of twelve successive months.⁵ Similar procedures have been applied to the collection of funds for NANP administration.⁶

Of the approximately 4,600 entities that contribute to the funding of these programs, 194 contributors to TRS and 65 contributors to the NANP fund avail themselves of the monthly contribution option. The remaining entities make a single contribution at the beginning of the funding year. Of the contributing entities, 1,379 are assessed the minimum contribution of \$25 for TRS and 2,159 are assessed the \$25 minimum for NANP administration.

Billing and collection functions for both NECA TRS and NBANC operations constitute a significant component of the overall administrative cost of these programs.

⁴ 47 C.F.R. § 64.604(c)(5)(iii)(b).

⁵ *Id.* "Each subject carrier must contribute at least \$25 per year. Carriers whose annual contributions total less than \$1,200 must pay the entire contribution at the beginning of the contribution period. Service providers whose contributions total \$1,200 or more may divide their contributions into equal monthly payment."

⁶ 47 C.F.R. § 52.17(a).

Any change to the process that would require mandatory monthly billing for these programs would likely result in a significant increase in these costs. Similarly, requiring carriers who currently pay a small minimum charge once per year to pay one-twelfth of that charge on a monthly basis will impose increased administrative costs on the industry with no apparent corresponding benefit.

NECA accordingly recommends that, regardless of the method used to assess contributions, the Commission should retain an annual contribution process for TRS, Numbering Administration, LNP, and wireline regulatory fees. This process should continue to provide for optional monthly contributions for companies whose annual contribution exceeds a certain threshold, *e.g.*, the \$1,200 embodied in the current rules.

Respectfully submitted,

NATIONAL EXCHANGE CARRIER
ASSOCIATION, INC.

By: /s/ Richard A. Askoff
Richard A. Askoff
Its Attorney

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80 South Jefferson Road
Whippany, New Jersey 07981
(973) 884-8000

CERTIFICATE OF SERVICE

I hereby certify that a copy of NECA's Comments was served on this 28th day of February 2003 by electronic delivery or by first-class mail to the persons listed below.

By : /s/ Shawn O'Brien
Shawn O'Brien

The following parties were served:

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street SW
TW-A325
Washington, DC 20554
(filed through ECFS)

Qualex International
Portals II
445 12th Street SW
Room CY-B402
Washington, DC 20554

Sheryl Todd
TAPD
Wireline Competition Bureau
Federal Communications Commission
445 12th Street SW
Washington, DC 20554